



200 W. SECOND ST., 3<sup>RD</sup> FLOOR, FREEPORT, TX 77541  
(979) 233-2667 1 (800) 362-5743 FAX: (979) 233-5625

## FOR IMMEDIATE RELEASE

Contact: A.J. “Pete” Reixach Jr., Executive Port Director/CEO  
Phone: (979) 233-2667 x 4264  
E-Mail: reixach@portfreeport.com

### PORT FREEPORT GRANTED PERMIT TO WIDEN CHANNEL

**FREEPORT, Texas (March 26, 2009)** – Port Freeport announced today that it has been granted a permit by the U.S. Army Corps of Engineers (USACE) to widen the offshore entrance and jetty channels to the Freeport harbor. The non-federal widening project is an innovative public-private collaboration between Port Freeport and users of the waterway, notably Freeport LNG and ConocoPhillips.

Port Freeport’s traffic has increased substantially in recent years with the opening of the Freeport LNG facility and growth in the importation of windmill components, pipe and project cargoes. The widening of the six mile offshore entrance and jetty channels up to six hundred feet from the current four hundred foot width will allow larger LNG, crude oil and other cargo vessels to access Port Freeport. The current forty-five foot depth will be maintained.

“The non-federal widening effort is the initial component of a more extensive federal expansion of the navigable waterway that has been under development for more than five years” said Port Freeport Executive Port Director/CEO A. J. “Pete” Reixach, Jr. “The widening will facilitate additional growth in the years ahead by accommodating larger vessels” Reixach added. In 2007, Port Freeport handled over 29.6 million tons of cargo through the public and private docks.

Dredging is expected to commence later this year and last approximately six to nine months. Suitable dredge material will be deposited on Quintana Island to nourish the beach there, which was heavily eroded by Hurricane Ike. The remainder will be placed in an existing offshore disposal area. The dredging operation will observe strict environmental monitoring protocols to mitigate impact to sea turtles and other wildlife.

The costs of widening the channel, which are expected to be around \$30 million, will be borne principally by the users of the waterway. Although other such non-federal channel enhancements have been undertaken in the United States, this project is the first to seek federal assumption of maintenance. If approval is granted by the U.S. Army Corps of Engineers, the widened increment of the channel will be periodically dredged by the federal government just as it does for the existing channel.

Besides the U.S. Army Corps of Engineers, other regulatory agencies that participated in the permitting process included the Texas Commission on Environmental Quality, the Texas Historical Commission, the Environmental Protection Agency, the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, the Texas Parks and Wildlife Department and numerous other federal, state and local stakeholders. PBS&J and HDR-Shiner Moseley have provided extensive permitting and project management support to the project. The Brazos Pilots Association advised on the design of the channel widening.

Port Freeport currently ranks 16<sup>th</sup> among U.S. ports in international cargo tonnage handled. With a current channel of 45-foot depth, soon to be widened and deepened, just 3 miles from open Gulf of Mexico waters, Port Freeport offers more than 7,500 acres for future development. Port Freeport serves its customers and stakeholders through development and marketing of competitive world-class navigational capabilities, technically advanced marine and multimodal terminal services and port-related industrial facilities while achieving profits and creating jobs as a leading economic catalyst for the Texas Gulf Coast.

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